

Mike Capuano
Democrat for Congress

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February 20, 1999

Ms. Pat Sheppard, Reports Analyst
Federal Election Commission - Reports Analysis Division
999 E Street, NW
Washington, DC 20463

Re: Response to Letters dated 02/16/99 - 12 Day Pre-General Report (10/01/98 - 10/14/98)
and 30 Day Post-General Report (10/15/98 - 11/23/98)
FEC # C 0036388

Dear Ms. Sheppard:

I am writing in response to the above-referenced letters. With respect to the two (2) Items raised in said letters, our response is as follows:

- A. With respect to the Item concerning the 12 Day Pre-General Report (10/01/98 - 10/14/98), please see the attached Schedule B.
- B. With respect to the Item concerning the 30 Day Post-General Report (10/15/98 - 11/23/98), the Commission has raised a question concerning the source of the funds reported, in said report, as a loan from the candidate. I have, in fact, reviewed Commission regulations and concluded that said funds qualify as "personal funds". The factors considered were as follows:
 - 1. With respect to the loan amount itemized on Schedule A, Line 13(a) for date 10/23/98 (\$13,350.00), this reflects a loan made to the campaign with a corresponding deposit to the campaign checking account. Said deposit payment was in the form of a check drawn on the home equity account of the candidate.
 - 2. With respect to the home equity account, the candidate owns his home with his wife and has since the late 1970's. Said account has been in place since the early 1980's and has been used for a variety of personal purposes, certainly prior to and other than the current campaign. Said account was not initiated for the purpose of funding said campaign and neither contemplates nor precludes such use. As is typically the case with such accounts, it is an unrestricted general use account, similar to a personal checking account, and subject primarily to the balance available. Finally, the amounts so loaned are less than 50% of the total amount available under the account. Consequently, said account constitutes "personal funds" under, and otherwise complies with, the provisions of 11CFR sec. 110.10.